



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE

REFER TO FILE: **AV-0**

June 6, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AIRPORT RENTAL RATES
EFFECTIVE AUGUST 1, 2002
SUPERVISORIAL DISTRICTS 1, 2, 3, AND 5
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the enclosed rental rates at County airports for tiedowns, hangars, and other airport facilities.
2. Instruct the Director of Public Works to notify the County's contract operator of rental rate adjustments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 22, 1991, Synopsis 62, your Board approved a contract for a private firm to manage, operate, and maintain the County-owned airports. The contract provides for the Board to retain control over the rental rates, but the operator is allowed to seek increases in the rental rates once a year.

The contract specifies a minimum monthly payment to the County for the privilege of operating and developing the airports. Because the contract operator's expenses have gone up during the past year, the contract operator has formally requested a 2.78 percent increase for some rental rates to increase its revenues to offset the higher costs. We believe the rental rate increases are reasonable and justified.

Implementation of Strategic Plan Goals

Approval of these rate increases is consistent with the County Strategic Plan Goal of Fiscal Responsibility as they will provide sufficient funds to allow our airport management contractor to continue maintaining our five County-owned airports in a safe and effective manner. This action also satisfies the goal of Service Excellence by providing the Aviation Enterprise Fund with the financial resources necessary to maintain a high level of capital improvements to the airport facilities as requested by the users.

FISCAL IMPACT/FINANCING

The recommended rental rates would go into effect on August 1, 2002. The rental rate increase for hangars at all airports will be 2.78 percent rounded to the nearest dollar. All tiedown rates at the five airports will remain unchanged.

The typical hangar monthly rate would increase from \$333 to \$342 at Brackett Field, from \$345 to \$355 at Compton/Woodley Airport, from \$338 to \$347 at El Monte Airport, from \$269 to \$276 at General Wm. J. Fox Airfield, and from \$365 to \$375 at Whiteman Airport. The rental rates for the non-typical hangars would also be increased 2.78 percent.

Aircraft overnight parking rates, airport equipment rental charges, and commercial landing fees would remain unchanged.

The proposed hangar rental increases for all five airports will generate about \$105,000 more revenue for the contract manager during the 2002-03 Fiscal Year, assuming a near-zero vacancy factor. Beyond a specified level of revenue, the County will share in the additional revenues in accordance with the terms of the contract.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Aviation Commission concurs with these recommendations.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will not have any impact on current services or projects.

The Honorable Board of Supervisors
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CONCLUSION

Please return three (3) approved copies of the Board letter to the Department of Public Works, Aviation Division, for further processing.

It is further requested that conformed copies of this letter be distributed to:

- a. County Counsel
- b. Auditor-Controller, General Claims Division
- c. Assessor, Possessory Interest Division

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

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RENTALRATES2002/B-2

Enc.

cc: Chief Administrative Office
County Counsel